

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S)	
PROPOSED EXPANSION OF ITS AREA)	CASE NO. 96-468
CALLING SERVICE)	

O R D E R

This matter arising upon petition of BellSouth Telecommunications, Inc. ("BellSouth"), filed September 27, 1996, pursuant to 807 KAR 5:001, Section 7, for confidential protection of certain call data filed in support of its proposed tariff revisions on the grounds that disclosure of the information is likely to cause BellSouth competitive injury, and it appearing to this Commission as follows:

In this proceeding, BellSouth proposed to revise its tariff to expand Area Calling Service ("ACS") by introducing the service in 27 exchanges, and expanding it in 41 exchanges. In support of the revisions, BellSouth has filed call information which it seeks to protect as confidential.

The information sought to be protected is not known outside of BellSouth and is not disseminated within BellSouth except to those employees who have a legitimate business need to know and act upon the information. BellSouth seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this

requirement are provided in KRS 61.878(1). That subsection of the statute exempts several categories of information. One category exempted in paragraph (c)1 of that subsection is commercial information confidentially disclosed to the Commission which if made public would permit an unfair commercial advantage to competitors of the party from whom the information was obtained. To qualify for the exemption, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

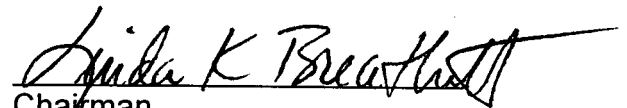
The call data sought to be protected identifies current volumes of long-distance messages and minutes between numerous exchanges. With the introduction of competition on intraLATA toll routes authorized by Administrative Case No. 323 this information could be used by BellSouth's competitors to evaluate the size of a market in these exchanges and allow them to direct their marketing efforts to those markets they deem most desirable. Therefore, disclosure of the information is likely to cause BellSouth competitive injury, and the information should be protected as confidential.

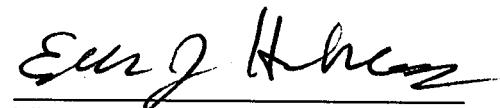
This Commission being otherwise sufficiently advised,

IT IS ORDERED that the call data filed in support of the proposed tariff revision, which BellSouth has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

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On September 27, 1996, BellSouth Telecommunications, Inc. ("BellSouth") filed revised pages in Sections A3, A20, and A120 of the General Subscriber Services Tariff which propose the introduction of Area Calling Service ("ACS") availability in 27 exchanges and expanded ACS local calling areas in 41 exchanges which already have ACS.¹ With this filing, all BellSouth exchanges in Kentucky, except Oak Grove, will have ACS availability. Oak Grove is located in the Nashville LATA, and currently any expansion of the Oak Grove local calling area is precluded by the LATA boundaries. Also with this expansion, BellSouth proposed to eliminate related optional calling plans. The proposed new expansion will allow new local routes for placing calls from BellSouth exchanges to specified other exchanges, including those of other local exchange companies, across the Commonwealth. BellSouth plans to implement the new calling areas on November 20, 1996.

BellSouth's ACS tariff contains two options. The Standard ACS option allows customers to call anywhere in the designated calling area (the existing local calling area

¹ ACS was initially approved by the Commission on April 9, 1992 in Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

plus the extended calling area) at usage-based rates priced substantially below current toll rates. These customers will also pay a flat rate access charge. The Premium Calling Usage service enables customers to call any location in their full local calling area on a flat rate basis. The full local calling area consists of the existing local calling area plus the extended calling area. Customers not selecting the Standard or Premium ACS option will continue to be charged for calls to the extended calling area at tariffed toll rates. BellSouth's proposed tariff contains rates and conditions of services identical to the first five phases of ACS tariffs approved by the Commission. The ACS tariffed rates have been designed to be revenue neutral. Restrictions delineated in Case No. 91-250 shall continue to be applicable to BellSouth.

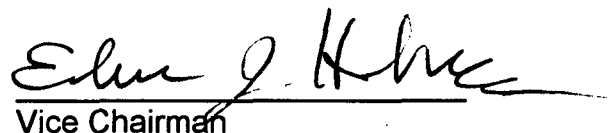
IT IS THEREFORE ORDERED that:

1. BellSouth's proposed tariff of September 27, 1996 to expand its ACS is approved.
2. BellSouth shall file a comprehensive statewide analysis each December 1 evaluating the mandated revenue neutrality of ACS and concurrently shall submit any proposed changes to ACS rates.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director